

# Technology Obsolescence and Application Rationalization

Take back control – how to modernize your IT

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# Agenda

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# Participants of KRALLMANN AG



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CIO Advisor



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Principal



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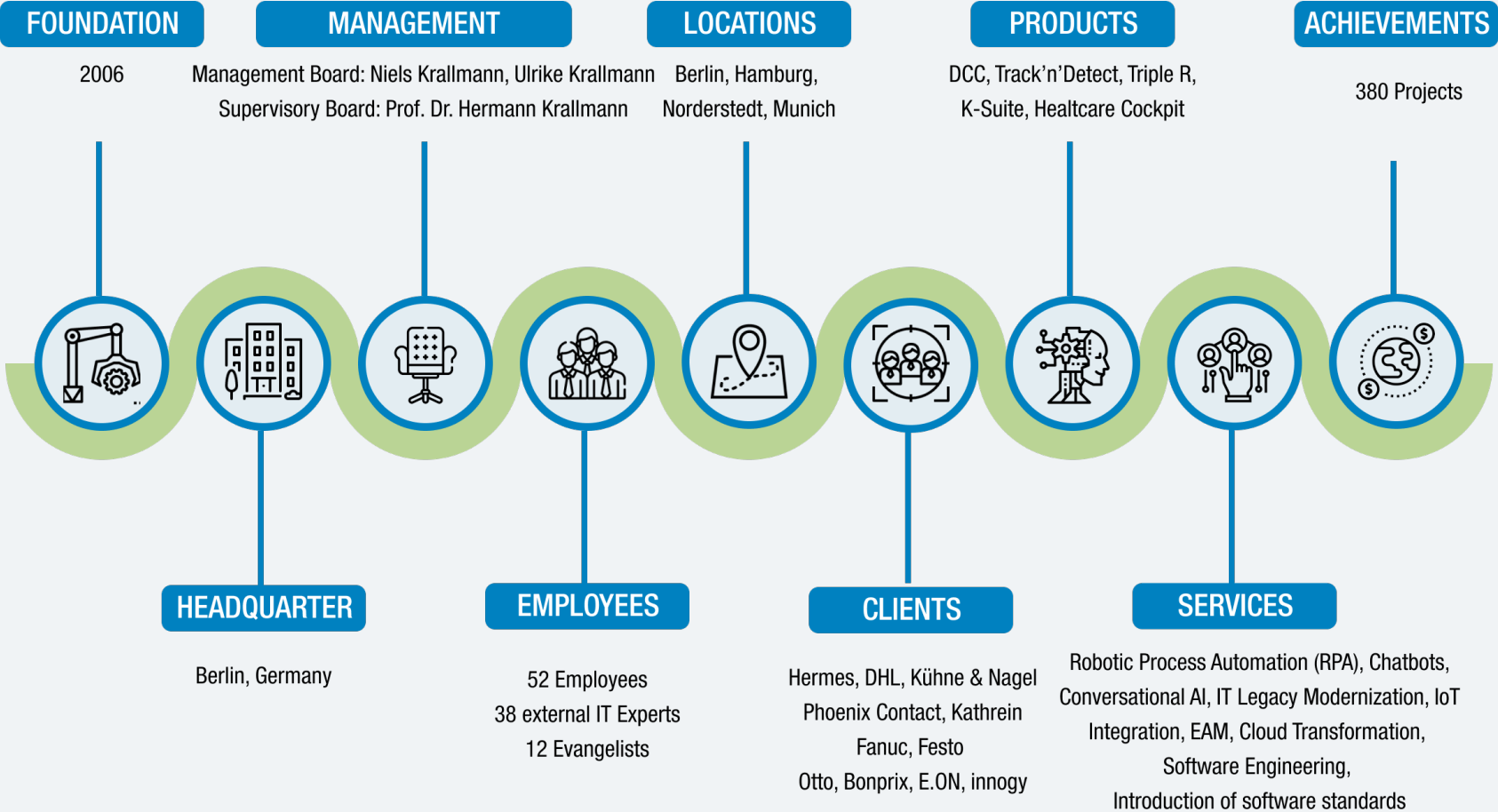
Application Architect



**Niels Krallmann**

CEO

# Company History of KRALLMANN AG



# KRALLMANN AG – Core Competences

## Enterprise Business Architects

Our Fields of Activity: Digital Transformation, Data Analytics & CIO Advisory

### IT Architecture

Enterprise Architecture Management

Application Portfolio Management

Cloud Computing

ERP & CRM Transformation and Consolidation

Introduction of Enterprise Software

Legacy IT Modernization

Data Migration

### Business Process Management

Digitization

Business Process Management [BPM]

Robotic Process Automation [RPA]

Process Mining Process Analysis

PMO as a Service

Agile Project and Program Management

Obsolescence Management with smartPCN

Automated Backoffice Services

Supply Chain Complex Event Processing

### Software Engineering

Agile Software Development

Requirements  
and Demand Management

Conversational AI – Chatbot

IT Survey

### Big Data Analytics

Business Intelligence

Big Data

Data Analytics

Data Warehouse

Machine Learning

Data Quality Management [DQM]

# CIO – Success Criteria



## Keep the IT running

Maintenance

Hybrid  
vs.

## Plan the future direction for the IT

Continuous modernization



## Challenges



How to get the resources needed for the permanent maintenance and modernization of the technology portfolio?



How to divide the available resources (once received)?  
Budget distribution between projects and maintenance are often not balanced (**40%** for legacy / **60%** for maintenance).



The integration of modern systems is often based on old back end systems (legacy systems)



Convey the importance of replacing obsolete technologies to the C-level management.



The replacement of legacy systems should not be neglected and the resources divided accordingly.



End-to-End system modernization: from back-end to front-end, from infrastructure level to application level.

# Technology Obsolescence – Motivation & Definition

„A chain is no stronger than its weakest link.“

(Cornhill Magazine, 1968)

**Technology Obsolescence:** When a technical product or service is no longer needed or wanted even though it could still be in working order. Technological obsolescence generally occurs when a new product has been created to replace an older version.



**Handling the amount of hardware and software**  
reaching obsolescence is difficult.



**Increasingly rapid pace** of technology  
and IT innovation



Missing understanding of the relationship between  
**technology life cycle and the cost function**



Most of the corporations  
don't know how much  
hardware and software  
technology are in use.



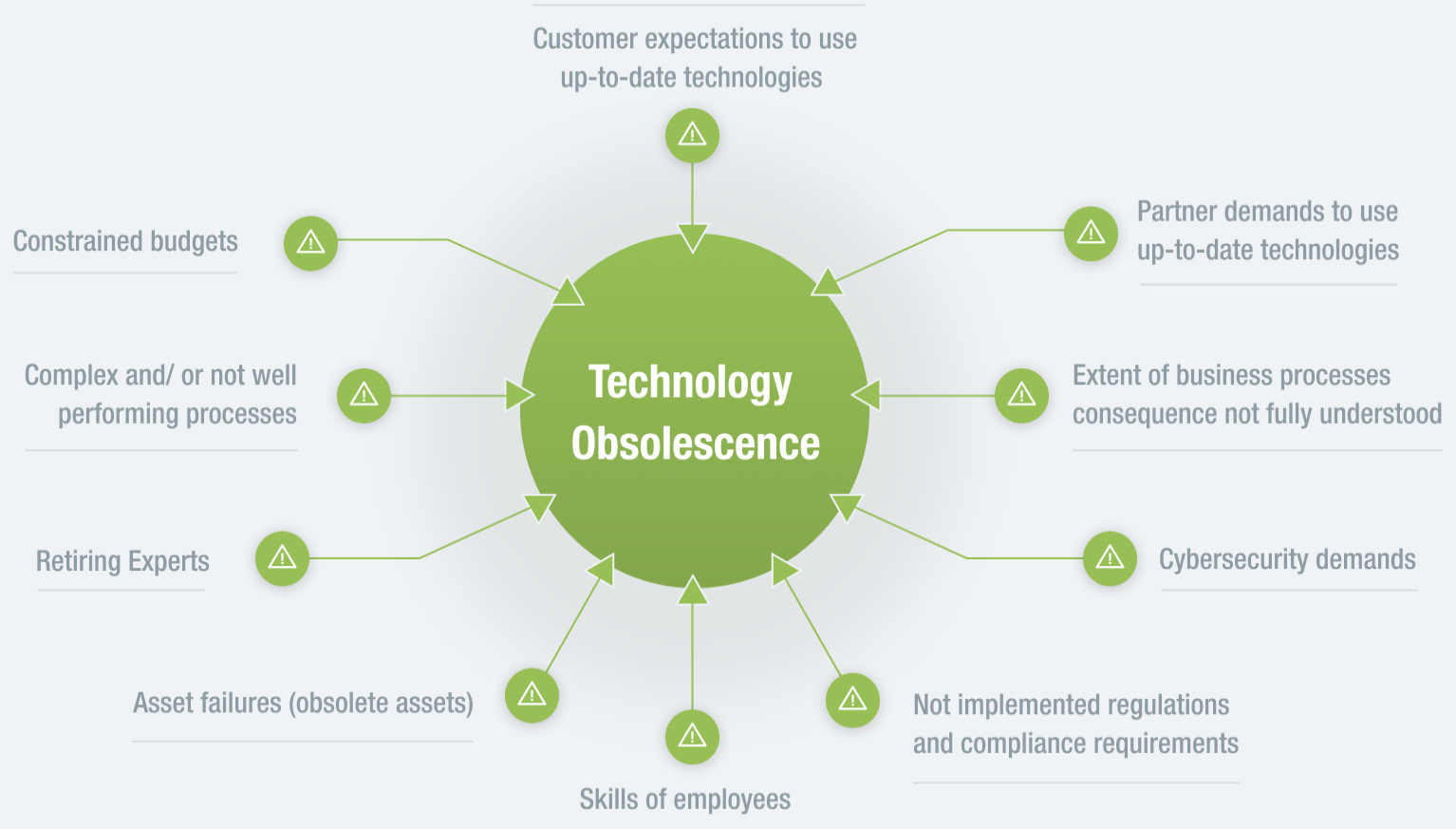
Hardware and software is  
now going obsolete faster  
and faster, far before it has  
outlived its usefulness.



Handling the amount of  
hardware and software  
reaching obsolescence is  
difficult.

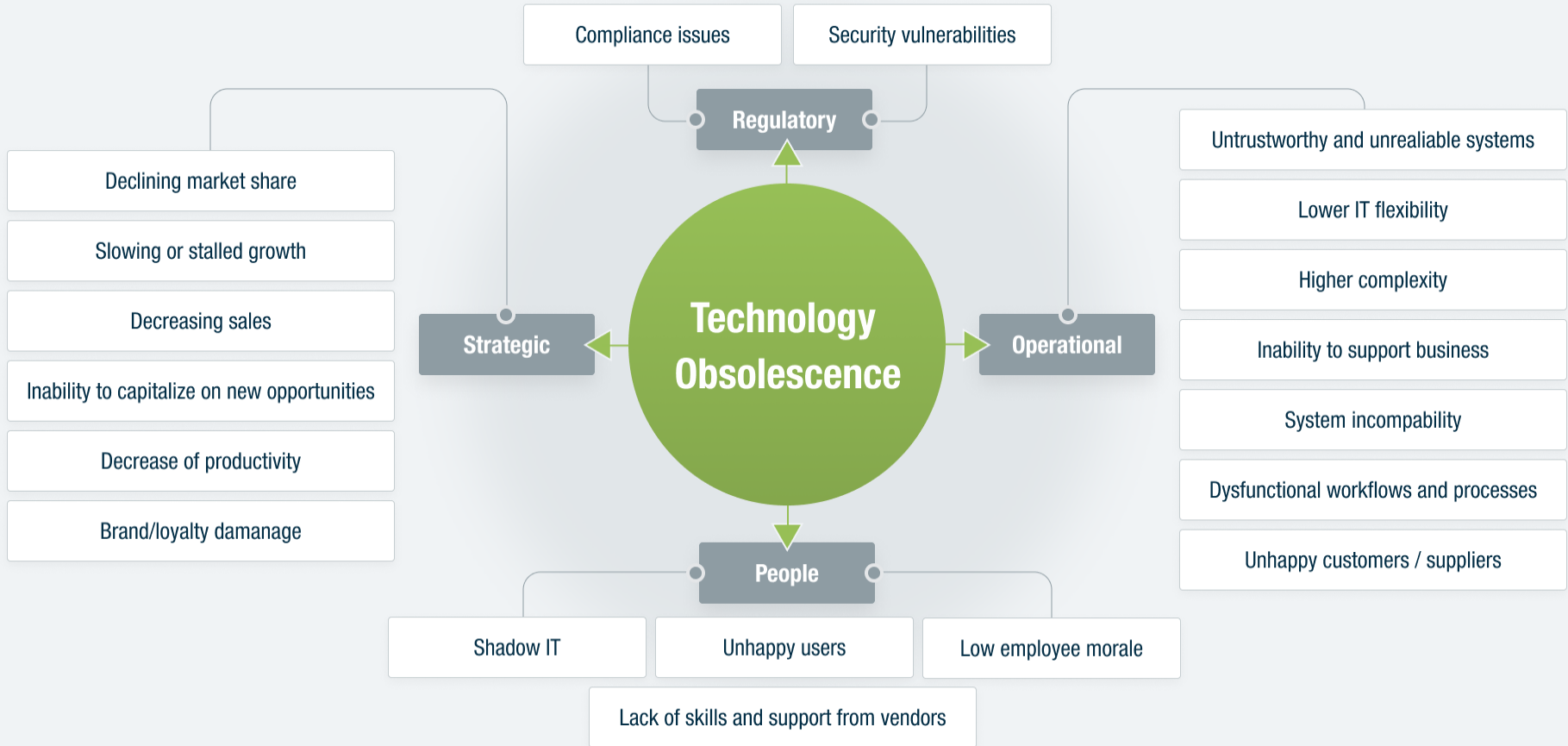


# Technology Obsolescence – Drivers



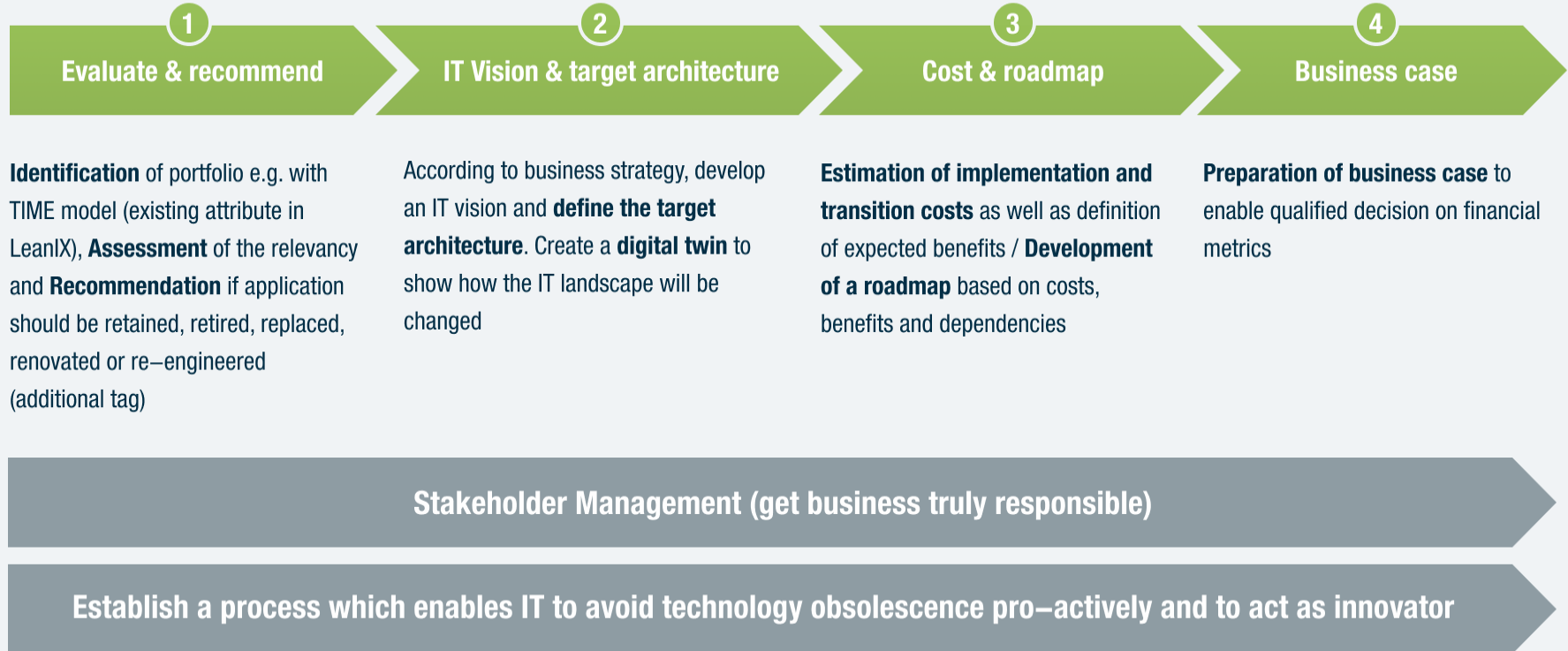


# Technology Obsolescence – Implications & Risks



# Application Rationalization – How to get back control?

**Application Rationalization** is an organization's strategic process of coming to the lean set of the most vital and necessary applications with respect to primary business processes; for today we are focusing on technology obsolescence issues only



# Application Rationalization – Using LeanIX to identify Technology Obsolescence



## The role of LeanIX

### System documentation tool

Digital Twin of the IT landscape on an higher granularity

### Bridge between IT and business

Provides information and insights about the business and the IT and the linkage between them. (e.g. Which applications are used for which processes?)

### Communication tool

Visualization for the top management



## Evaluation criteria for technology obsolescence of an application

### Built-in features

- Life-cycle of IT components,
- Technical fit

### Additional features

- Availability,
- Response time,
- Amount of incidents,
- Age,
- Transaction rate,
- Transaction volume
- Etc.



## Two possible procedures

### Survey/ Expert rating

**1)** Use the additional features as evaluation criteria. The results will be summerized in one final attribute, which will state the status of the technology obsolescence of an application.

**2)** Use the additional features as individual attributes/ tags, which you can use for filtering and coloring in the reports

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